

FISCAL NOTE

SB 2589 – HB 2980

January 22, 2008

SUMMARY OF BILL: Changes the home of record requirement, for the purpose of determining Hope Scholarship eligibility for dependent children of members of the armed forces or the Tennessee National Guard, from the current rule that requires the dependent child's home be in Tennessee at the time of entry into military service, to a rule where the dependent child is eligible for the scholarship if eligible for financial assistance for in-state tuition according to rules promulgated by the Tennessee Board of Regents. Authorizes retroactive awarding of the Hope Scholarship for any semester of the 2007-2008 academic year in which the student would have qualified had the provision been in effect.

ESTIMATED FISCAL IMPACT:

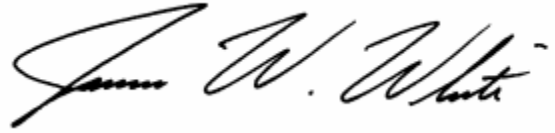
Other Fiscal Impact – There will be a one-time increase in the expenditure of lottery proceeds estimated to be \$100,000 for FY07-08 due to the proposed retroactive provision. In addition to this one-time expenditure, there will be a recurring increase in the expenditure of lottery proceeds estimated to be \$400,000 in FY08-09 and \$440,000 in FY09-10.

Assumptions:

- An estimated 100 students could be impacted by this requirement change.
- If each of these students is eligible to receive a HOPE scholarship of \$4,000, the increase in lottery proceeds is estimated to be \$400,000 the first year (100 students x \$4,000 = \$400,000).
- A 10% increase in participation (110 students) is estimated for the second year (110 students x \$4,000 = \$440,000).
- 25 students are estimated to become eligible for the HOPE scholarship for the 2007-2008 academic school year under the retroactive provision of this bill. As a result, there will be a one-time increase of expenditures from lottery proceeds estimated to be \$100,000 (25 students x \$4,000 = \$100,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/rnc